

Moran Supports Legislation to Save Auto Dealers

WASHINGTON, D.C. - Congressman Jerry Moran today sponsored legislation to protect the nation's automobile dealers. H.R. 2743, the Automobile Dealer Economic Restoration Act requires Chrysler and General Motors to continue to honor their commitments to automobile dealers after the franchise companies recently sent notifications to cancel contracts to specific dealerships nationwide.

"GM and Chrysler frantically closed community dealerships upon declaring bankruptcy, leaving automobile dealers with millions of dollars invested in car stock," Moran said. "I have worked to find a solution to prevent community auto dealers from being forced to close their doors. I am glad to sponsor this legislation as it will save dealers' contracts with GM and Chrysler and will protect local dealerships, economies and jobs."

Last month, Moran talked with the White House to share the concerns he has heard from Kansas auto dealers. Moran also joined Congresswoman Lynn Jenkins in opposing the Automotive Task Force and the White House plan for the Auto Industry.

"Our local auto dealers are vital to our rural areas by providing local jobs and services to each community and supporting the local economy," Moran said. "Automobile

dealerships bring in revenue to franchise companies, and closing them down will offer no benefits to GM or Chrysler. This legislation prohibits additional closures for local dealerships and forces franchise automobile makers to continue to honor their contracts with community dealerships."

The Automobile Dealer Economic Restoration Act will accomplish the following goals:

- Restores the economic rights of General Motors and Chrysler car dealers as they existed prior to each company's bankruptcies.

- Preserves General Motors and Chrysler car dealers' rights to recourse under state law.

- At the request of an automobile dealer, requires General Motors and Chrysler to reinstate franchise agreements in effect prior to each company's bankruptcies.

- Makes clear that the legislation is not intended to make null and void the court-ordered transfer of assets from Chrysler LLC to New CarCo Acquisition LLC or the transfer of General Motors assets that could be approved by a court after the introduction of the Act.

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